

[Merced, California]

LEASE SUPPLEMENT NO. 1 dated as of February 25, 1994, between NATIONSBANC LEASING CORPORATION OF NORTH CAROLINA, as Lessor, and WORLD COLOR PRESS, INC., a Delaware corporation, as Lessee.

WHEREAS, Lessor and Lessee have heretofore entered into that certain Lease Agreement dated as of February 25, 1994 (the "Lease"; the terms defined therein being hereinafter used with the same meanings), which Lease provides for the execution and delivery from time to time of a Lease Supplement substantially in the form hereof for the purpose of subjecting the Unit described in Annex A hereto (the "*Subject Unit*") to the Lease;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements contained in the Lease and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. Lessor hereby delivers and leases the Subject Unit to Lessee under the Lease, and Lessee hereby accepts and leases the Subject Unit from Lessor under the Lease.
2. The Purchase Price for the Subject Unit is as set forth in Annex A. The Subject Unit is now located on the real property described in Annex B hereto.
3. Lessee hereby confirms to Lessor that Lessee has accepted the Subject Unit for all purposes of the Lease.
4. THIS LEASE SUPPLEMENT IS BEING DELIVERED IN THE STATE OF NEW YORK AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[Lease Supplement No. 1 - signature page]

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease Supplement to be duly executed as of the day and year first above written.

NATIONSBANC LEASING CORPORATION  
OF NORTH CAROLINA, Lessor

By: Herbert T. Thurau  
Name: Herbert T. Thurau  
Title: Vice President

WORLD COLOR PRESS, INC., Lessee

By: Jennifer Adams  
Name: JENNIFER ADAMS  
Title: Executive Vice President

[Lease Supplement No. 1 - acknowledgment]

STATE OF NEW YORK )  
 )ss.:  
COUNTY OF NEW YORK )

On this 25 day of February, in the year 1994 before me, Doreen M. Midwinter, a Notary Public of said State, duly commissioned and sworn, personally appeared Jennifer Adams, personally known to me to be the person that executed the within instrument as Executive Vice President on behalf of the corporation therein and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

*Doreen M. Midwinter*  
Notary Public

**DOREEN M. MIDWINTER**  
Notary Public, State of New York  
No. 82-4857734  
Qualified in Suffolk County  
Certificate Filed in New York County  
Commission Expires April 29, 1994

[Lease Supplement No. 1 - acknowledgment]

STATE OF NEW YORK )  
 )ss.:  
COUNTY OF NEW YORK )

On this 25 day of February, in the year 1994 before me, Doreen M. Midwinter, a Notary Public of said State, duly commissioned and sworn, personally appeared Herbert T. Thureau personally known to me to be the person that executed the within instrument as Vice President on behalf of the corporation therein and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

*Doreen M. Midwinter*  
Notary Public

**DOREEN M. MIDWINTER**  
Notary Public, State of New York  
No. 52-4887734  
Qualified in Suffolk County  
Certificate Filed in New York County  
Commission Expires April 28, 1994

Annex A to  
Lease Supplement

DESCRIPTION OF DELIVERED UNIT

Unit:

**ONE CERUTTI FLEXO PRINTING PRESS**  
**45-1/2 X 77" MAXINOVA**  
Press No. 505  
JOB Nos. 2170 and 2326

**MAIN CHARACTERISTICS**

- Maximum web width: 77" (1955.8 mm)
- Maximum alternative web width: 58" (1473.2 mm)
- Minimum ribbon width in lower folder: 14.5" (368 mm)
- Fixed circumference of flexo unit: 45.553 (1157.05 mm)
- Fixed circumference of folder: 22.776 (578.52 mm)
- Maximum mechanical speed: 40,000 Revs/Hour of the plate cylinder
  
- Maximum web speed (mechanical): 2500 FPM
- Maximum production speed in second fold: 38,000 Revs/Hour of the plate cylinder
- Maximum web speed (production) 2400 FPM
- Paper weight min/max: 30-65 GSM (18.5-40 lb.)
- Electrical power voltage: 480 V., 60 Hz., 3 phase
  - Control voltage: 110 V., 60 Hz., single phase
  
- Pneumatic pressure: 80 PSI
  
- Prewiring included in the supply:
  
- Electrical standards: NEC
- Electrical components: Reliance Drives Controllers T.I. PLC  
Cerutti standard control cabinets.  
Allen-Bradley pushbuttons, motor starters and relays.  
Potter Brumfield is an acceptable alternate for small relays.
  
- Safety Standards: OSHA; State of California
  
- Color: RAL 5012 ("Cerutti Blue")

**GENERAL PRESS ARRANGEMENT:**

When viewed from left to right (press on one level):

1. Splicers with infeed and web aligner.
2. Printing Units.
3. Compensator and slitter.
4. Motorized angle bars with ribbon compensators.
5. Jaw folder with formers

**General Notes:**

- 1) All pneumatic components shall be readily available in U.S.A. One spare piston per type shall be included as spare. Air pressure required - 80 PSI.
- 2) Noise Level  

Seller's design shall give consideration to the reduction of noise level. The goal for noise level shall be 85 dbA at all frequency octave bands, measured at 3 ft. from the operator side press frame, in free field.
- 3) Shields and Guards
  - A) Shields and guards shall combine features of safety, accessibility and appearance in conformance with latest machinery design and shall conform to applicable safety laws. Shields and guards shall be reviewed by customer before manufacturing.
  - B) Guards and shields shall completely enclose gears, belts, chains, and drive shafts.
- 4) Clutching  

A clutch will be provided between lower and upper unit such that the upper unit can be silenced from the lower unit. The lower unit printing couples will be able to be silenced separately, if the upper unit is running, by manually disengaging each printing couple. Unit and folder clutches are single position type.
- 5) Structure under units included. Structure shall be capable of four high unit configuration.
- 6) Full web idler rollers are aluminum and spiral or helically grooved.

## COMPOSITION OF THE SUPPLY

### SUPERNOVA REEL, MODEL SV 112 D9

having the following characteristics:

- Maximum web width: 77"
- Minimum web width: 19"
- Maximum reel diameter: 50"
- Minimum roll diameter for splice: 31"
- Core I.D.: 3"
- Maximum roll weight: 4400 lb.
- Minimum/maximum web tension: 5 to 50 KG (11-110 lb).  
Tolerance (after infeed): +/- 1 KG (+/-2.2 lb)
- Motorized central shaft sidelay for the reels: +/- 1"
- Web tension meters for reelstand and infeed tension to be supplied at each reelstand control panel.
- Reel clamping pneumatically operated by two air cylinders one to insert chuck (approx. 8") and one to expand lugs.
- Reel unwinding by a D.C. motor driven system with two belts which can be manually displaced.
- Electronic web tension control on reel by dancing roller fitted on levers.
- Adjustment of web tension by magnetic brakes during flying splice.
- Flying splice system with pasting roller.
- Automatic flying splice sequence whenever O.D. of expiring roll is less than 400 mm. Selection of sequence initiation preset by operator by selection of roll outside diameter.
- Infrared web-break detector.
- Electric components and pre-wiring in accordance with NEMA standards.
- Infeed/tension control device with load cell. Infeed roller will be controlled with a D.C. motor.

- Web aligner: Cerutti design with infrared electronic edge guide and control with Slo-Syn motors. Electronic interface for centering of central shaft of reel will be included.
- Two roll positions.
- Transfer table and drolley excluded (Customer supplied).
- Final roll diameter and tail length can be preset at the electrical cabinet.
- Web tension meter will be included at main operator console indicate total web tension at each infeed.
- Web tension meters, one for reel tension and one for infeed tension, and tension controls will be located at the reel control panel.
- One spare covered pasting roller included.
- A plate to be installed in the unwinder pit will prevent arm rotation if the plate has a loaded condition.
- Steel lugs to allow locking of steel and fiber cores.

#### **FLEXO PRINTING UNIT, MODEL EF 122 D9 (Non-Reversible)**

Having the following characteristics:

##### **A. Plate Cylinders**

- The plate cylinder shall be fabricated from steel tubing designed to minimize deflection with wall thickness of approximately 2 inches. The surface shall have chromium plating with plate mounting area ground and fine polished to final dimension. Cylinder shall be mounted on ISO class P-5 cylinder roller bearings designed for a minimum of 50,000 hours at maximum rated printing speed. Bearings to be supported in the unit frame.
- The plate cylinder lockups shall be suitable for printing in the forward cylinder rotation at up to and including top rated printing speeds.
- Leading-edge of the lockups shall be assembled to be a continuous surface formed by the lockup inserts.
- The trailing-edge jaws of the lockups shall be continuous surface across the width of the lockup and shall be flush with or below the cylinder body in the open position.
- Lockups shall be readily removable from the plate cylinders as assemblies or sub-assemblies.



- Eight (8) plates shall be carried by each plate cylinder, four (4) plates across and two (2) plates around. Each plate shall have two (2) pages across and two (2) pages around.
- The lockups shall be staggered across the width of the cylinder one stagger of 60°.
- The plate lockup shall be mechanical lockup designed to have a minimum non-printing gap. Design goal and Customer requirement is .500" (12.5 mm) Non-print (printing image of one plate to printing image of the next plate).
- For plate registration, register pins are to be installed on the plate cylinder to facilitate accurate, repeatable plate positioning.

#### A. Plate Cylinders

- The unit is equipped with motorized adjustment of sidelay register by Slo-Syn motor (+/- 6 mm) acting on the plate cylinder (7 positions).
- The unit is equipped with motorized adjustment of circumferential register by Slo-Syn motor. (+/- 25 mm) acting on a short throw compensator between printing couples starting after the first color printed (7 positions).
- Plate cylinders are to be dynamically balanced to 0.15 oz-inch/inch diameter at 2,500 ft/min.
- The plate cylinder maximum T.I.R. is 0.0004 inch or less.
- The plate cylinder undercut dimension shall be 80/1000" (2.03 mm).
- Plate washing system for periodic push button activation for on-the-run spray and wash of the printing plates.

#### B. Impression Cylinder

- The impression cylinders shall be fabricated from steel tubing designed to minimize deflection. The surface shall have chromium plating with paper contact area ground and fine polished to final dimensions. Cylinder shall be mounted on ISO class P-5 cylindrical bearings designed for a minimum of 50,000 hours at maximum rated printing speed. Bearings shall be mounted in eccentric housings.
- Lockable microindication handwheel shall be provided on the operator side frame and drive sideframe to permit adjustment of the impression cylinder during printing, for fine adjustment of printing pressure. One handwheel rotation shall correspond to a maximum of 0.001 inch cylinder movement with a +/-0.020 inch adjustment range. Cylinder adjustment by handwheel will be accomplished by adjusting the stop limiting the impression cylinder location in relation to the plate cylinder.

- Impression cylinders are to be dynamically balanced to 0.15 oz-inch/inch diameter at 2,500 ft/min.
- Dial indicator will be included to determine printing pressure.
- Nip trolleys included on impression cylinder.
- The on/off position is actuated by pneumatic cylinders.

### **CERUTTI ANGLE BAR GROUP AND PULLING UNIT ASSEMBLY**

The angle bar group has two levels with total of two (2) angle bar carriages (modules) for the arrival of two webs divided into a maximum of two (2) ribbons each.

It includes the following features and components:

- Two (2) full web draw roller groups consisting of two driven rollers and nip trolleys driven by PIV and Harmonic. PIV remote control switch at main press console.
- Two (2) slitting couples with individual motorized sidelay displacement.
- One (1) dust collector system complete to the gearside frame. (filter and exhaust fan supplied by Customer).
- Two (2) angle bar carriages. Angle bars drilled for air, adjustable air seals as a function of ribbon width. Angle bar carriages shall be motor driven with Slo-Syn motors.
- Idler rollers for ribbon leads as required.
- Cerutti to provide data for dust exhaustion and air on angle bars.
- Cerutti to provide two full web aligners before slitters with remote pushbutton control. (No automatic sensing)
- Ball screw assembly will include dust covers.
- Speed readout at console will be in feet per minute.
- Mounting bar for ribbon register control shall be located near the idler rollers after half-web ribbons have been angle barred and compensated.

### **C. Anilox Roll**

- One anilox roll per ink chamber shall be thick walled (2 inches approx.) hollow steel body mounted on press interference fit solid steel forged bearing journal shafts.
- Anilox roll engraving to be later etched ceramic.

- Anilox roll shall be mounted on high precision (ISO class P-5) stagger roller bearings for a maximum radial deviation of 0.0004 inch.
- Anilox roll to mounted/driven by manufacturer's most recent design. The press operator shall be able to change any anilox roll (including existing anilox roll removal, positioning of new anilox roll into unit, outer race of bearings locked into housing, anilox roll drive connected, anilox roll aligned, tram, and leveled) in a maximum of 30 minutes.
- The anilox roll is to be supported in eccentric housings, with a fixed position for the off position and adjustable stop for the print-on position. The on/off position is actuated by pneumatic cylinders.
- A microindication handwheel shall be provided on the operator side frame and drive sideframe of the unit, to permit adjustment of the anilox roll to the plate cylinder for inking pressure. One handwheel rotation shall correspond to a maximum of 0.001 inch cylinder movement. Adjustment will be done independently on the gear side and on the work side.
- Anilox rolls after being engraved with cell structure (160 l/cm, 12 micron deep) and 45° screen angle and polished, shall be dynamically balanced to 0.15 oz-inch/inch diameter at 2,500 ft.min.
- Aluminum finger guards shall be supplied at the ingoing nips between the anilox roll and the plate cylinder. Guards shall be easily retracted.
- When the anilox roll is in the "Inking Off" position, an electro-pneumatic system shall engage an electrical motor, rotating the anilox roll in the ink fountain.
- The engraved and chromed anilox roll shall have a maximum T.I.R. of no more than 0.0004 inch.

#### **D. Ink Fountain**

- The doctor blade and doctor blade chamber shall be easily installed and removable. Doctor blade holder to be in aluminum (for removal to be one man operation).
- One doctor blade holder for each fountain.
- Each doctor blade chamber shall fit any of the ink fountains without adjustment being required.
- The ink fountain assembly shall be manufactured from stainless steel.
- The ink fountain shall be designed from attachment to a central ink pumping, viscosity control system.
- The ink fountain chamber shall be loaded in parallel to the anilox roll with pneumatic cylinders and shall incorporate a failsafe device to prevent excessive contact of doctor blade to anilox roll. (A stop collar will be installed on the threaded adjustment rod).

- The ink fountain chamber shall be capable of being quickly removed or repositioned to permit quick removal of the anilox roll.
- The ink fountain shall be covered by plexiglass shields.  
(Design to be reviewed by Customer).
- Ink fountain/anilox roller wash-up system.

#### **E. Ink System**

The ink pump, viscosity control, and filtering shall be specifically designed for maximum efficiency, economy, convenience of operation and production with the use of water based inks. Two automatic valves and a switch will allow for convenient interface with central ink and wash water systems.

The inking system per printing unit shall include, but not be limited to:

- Four (4) ink chamber fountains, with doctor blades.
- An automatic ink fountain/anilox roll wash up system for each ink fountain (Quoted in the list of optional items).
- Four (4) automatic ink viscosity controllers. (Quoted in the list of optional items).
- Four (4) automatic ink viscosity controllers. (Quoted in the list of optional items).
- Four (4) ink sumps with a minimum of 10 gallon capacity.
- Four (4) ink pumps with filtering included. Spandau with stainless steel parts. Including stirring mechanisms.
- Four (4) low ink level alarms.
- All piping, hoses, etc., required between sumps and unit ink fountains.

#### **F. Anilox Removal System**

- An independently supported anilox removal system shall be provided for ease of installing and removing the anilox rolls. Hoist to remove anilox from printing units on upper deck is included.
- The system shall provide for single operator functions.
- An anilox cart shall be included to allow transportation of anilox rollers outside of the unit area on floor level.

#### **G. Impression Throwoff**

Impression cylinder eccentrics and anilox roller eccentrics shall be actuated by pneumatic cylinders to provide slow-on, fast-off operation, controlled through solenoid valves by local or remote push-button stations.

#### **H. Web Threading Chain**

One motor driven web threading chain shall be supplied for each reel. Primary path is from reel to lower unit, to upper unit then to second slitter drag roller. The alternative path is

from reel to lower unit then to the second slitter drag roller. (Web will go straight through upper unit). Web assist rollers for web threading included.

**I. Register Compensator Rollers**

Four (4) motorized half web compensators compatible with folder cutoff control system mounted prior to the gathering roller and roller-top-of-former (with Slo-Syn Motor motors). Mounting shall be recirculating ball screw design with dust covers.

Backup register compensator rollers, mounted in the printing units. Adjustment is done by the operator with a wrench.

**J. Lubrication**

- All gears for the anilox roll, impression cylinder, and plate cylinder shall be lubricated by a central filtered oil circulating system.
- Main cylinder bearings and other grease lubricating points will be connected to the automatic centralized system.

**K. Manual Drive**

The unit shall be equipped with barring hub to enable the operator to turn the unit over manually.

**L. Bearing Sensor Provisions**

Holes will be provided for bearing sensors (sensors by Customer).

**M. Plating-Up Motors**

Motors and clutches to allow independent drive for each plate cylinder will be provided.

**N. Web Severers**

- Web severing devices shall be supplied prior to the flexo unit(s).
- Actuation of the web severers shall be initiated by infrared web break detectors supplied with the units.

**O. Platforms and Floor Plating**

- Complete platforms, including crosswalks, shall be supplied for webbing, adjustment, and normal maintenance.
- Algrip platforms shall be supplied on both sides of flexographic printing unit and on operating and drive sides of the units. A minimum of 36 inches clearance shall be supplied between the press unit and the handrails.
- Double rail aluminum handrails shall be supplied.

- Support beams for catwalk on gear side shall be extended beyond catwalk to permit hanging of pipes from support beams. Extension will be 500 mm.

Gaps between platforms and adjacent frames or housings shall be a maximum of 3 inches. Removable sections shall be supplied at access cover plates and at housings which are removable for adjustment or maintenance.

Guards on cylinder side of each printing unit will be roll-up type.

### **CERUTTI FORMER SUPERSTRUCTURE**

Formers consisting of:

- Two (2) 72-degree formers.
- Two (2) draw rollers on top of formers with air operated trolleys. Ribbon lead rollers above drain rollers are supported on both ends.
- One pulling group under each former.
- Draw rollers and pulling group to be controlled by a PIV and Harmonic.
- Various cantilever-supported ribbon paper lead rollers for former ribbons are corrosion protected. Idlers will be spiral grooved or tungsten coated.
- Former plates to face away from angle bar group. Formers to be displaceable side wise to accommodate ribbons 38.5" and 29".
- One pneumatically thrown-on/off upper slitter knife between formers and two longitudinal perforating knives (one on each former centerline).
- Two pairs of run in rollers, independently adjustable one of each former tip.
- Each former to be equipped with a pair of air bags to support the ribbons.
- Included is blast air piping from the formers to a common manifold.
- Blast air blower with capacity for angle bars and former is included in the supply. Supply ducting to angle bar and former manifold by customer.
- Mechanical adjustment of former inclination, +/- 3°.
- Mounting bar for cut off register control included.

**SUPERNOVA JAW FOLDER, MODEL PF 156 (5/5)**

- One jaw folder capable of collect and non-collect operations.
- Fixed cut-off. (Movement of grippers allows small amount of variability).
- Mechanically driven with P.I.V. controller, case hardened-tempered steel draw rollers. (PIV and Harmonic Drive with Slo-Syn motor for remote setting with position display on console).
- Cross perforating device to allow perforation at half-fold. Phasing will be included (for Lap adjustments) with a Slo-Syn motor. Control and display at main console supplementary control at folder station.
- Draw rollers with pneumatic setting with micrometric pressure adjustment driven through PIV from cutting knife.
- Anti-jamming device consisting of ribbon severing knife and ribbon deflecting mechanism. Accelerating belts on back of gripper cylinders.
- Emergency braking on the jaw cylinder shaft.
- One knife in cutting cylinder. Co-acting with one cutting rubber in anvil cylinder.
- Five rows of grippers on lever arms in the collect cylinder activated by cam. Gripper cassettes are easily replaceable.
- On-the-run lap adjustment, motorized, push button remote control, with +/- 10mm lap variation.
- Jaw cylinder shall have five sets of jaws.
- Delivery fan to slow copies and deliver signatures to a delivery table. Delivery is mechanically driven.
- Electric copy counter.
- Lubrication of gear side is by circulating oil with an electric pump. The work side bearings are greased with a centralized pumping system.
- Electrical wiring per NEMA standards.
- Two deliveries.
- Shingle variability by means of PIV.
- Provision for future addition of stitcher.

## **ELECTRICAL EQUIPMENT**

### **Main Press Console**

- A main press control console is part of the supply. Additional controls can be added to the console panels if desired. The controls normally included in the main press console are:
- Tension readout of infeed tension. Adjustment at infeed, not at main console.
- Press run control station.
- VDT which provides operator information concerning the status of the press. The press operator is alerted to changing conditions from a normal running condition.
- Press speed tachometer.
- Ammeter and voltmeter for primary and secondary motors.
- Main console to be wired from underneath.
- Web speed display to be in feet per minute.
- Press Run Control: ANSI standards.
- Space for register controls.
- Cerutti diagnostic information system (DIS).

### **Main Drive System**

- The press will be driven with a group drive system. There will be a minimum of two main drive motors, one primary and one secondary. Both motors would be used during a break in period. After break in one motor or the other can be used alternately. One motor will be of sufficient size to drive the entire press. Reliance main motors and main drives. (140 HP each).
- Other features include:**
- Drive control cabinets which can be located in the pressroom. Cabinets are to be wired from underneath.
  - Drive consisting of independent D.C. motors and drives with solid state controls and siliconcontrolled rectifiers.
  - Press is pre-wired to terminal blocks for connection to controllers and console.
  - Fan and blower motors are energy efficient type.



- Supply includes one complete set of spare printed circuit boards.
- Main drive components are to be U.S. supplied parts.

### **OPTIONAL EQUIPMENT**

Completely automatic splicing sequence (per reelstand SV112D9).

Roll chucking with two pneumatic pistons per chuck. One for chuck insertion into roll core and one for expansion of chucking lugs. (per reelstand SV112D9).

One (1) tension meter at the main console indicating total web tension at the reelstand. (per reelstand SV112D9).

Electrical interface between web guide and central shaft of reelstand. (per reelstand SV112D9).

PIV + Harmonic mechanical control of one pulling roller at reelstand (per web).

Automatic system for central grease lubrication system (complete press).

Water spray system for plate cylinders (per press).

Ball bearing mounted screw compensators (for four (4) unit compensators).

PIV + Harmonic mechanical control of one pulling roller at the entrance to the angle bar group (per web).

Perforating device on former board centerline (for longitudinal perf).

Cross perforating rollers located between formers and lower folders.

Two (2) Automatic ink fountain/anilox roll wash-up systems - for the complete printing unit.

Four (4) doctor blade holders

One (1) electropump for ink

Two (2) Anilox rollers with laser engraving.

Cerutti Diagnostic Information System (DIS).

Turbofan for formers and angle bar (excluding piping).

**TOGETHER WITH** all related equipment, parts, components, appurtenances, appliances, accessories, modifications, additions and betterments of every kind and description.

**Purchase Price:** \$12,207,883.00

**Basic Lease Term Termination Date:** August 23, 2008

**Location:** World Color Press, Inc.  
World Color Press Merced Division  
2201 Cooper Avenue  
Merced, California 95344

**Annex B to  
Lease Supplement**

**DESCRIPTION OF LAND**

**Said land is situated in the City of Merced, County of Merced, State of California and is described as follows:**

**Lots 2 and 3 according to map entitled "MERCED WESTERN INDUSTRIAL DEVELOPMENT" filed for record June 21, 1976 in Volume 23 of Official Plats at Pages 6, 7 and 8, Merced County Records.**

**EXCEPTING therefrom the property and property rights excepted and reserved in deed recorded August 4, 1961 in Volume 1539 at Page 594 of Official Records, and in deed recorded December 29, 1964 in Volume 1673 at Page 691, Merced County Records, and being 75% oil, gas and other hydrocarbons lying below a depth of 500 feet from the surface of the herein above described property.**

**ALSO EXCEPTING that portion of the herein described property lying below a depth of 500 feet measured vertically from the contour of the surface of said property; however, grantor or its successors and assigns shall not have the right for any purpose whatsoever to enter upon, into or through the surface of said property or any part thereof lying between said surface and 500 feet below said surface as excepted in deed recorded October 15, 1980 as Recorder's File No. 23962.**

Schedule I to  
Lease Supplement**BASIC RENT PERCENTAGE****Flexopress #505**

<b>Basic Rent Payment <u>Date</u></b>	<b>Rent Percentage <u>(Percentage of Lessor's Cost)</u></b>
February 24, 1995	4.9645430%
August 24, 1995	4.9645430%
February 24, 1996	4.9645430%
August 24, 1996	4.9645430%
February 24, 1997	4.9645430%
August 24, 1997	4.9645430%
February 24, 1998	4.9645430%
August 24, 1998	4.9645430%
February 24, 1999	4.9645430%
August 24, 1999	4.9645430%
February 24, 2000	4.9645430%
August 24, 2000	6.0677570%
February 24, 2001	6.0677570%
August 24, 2001	6.0677570%
February 24, 2002	6.0677570%
August 24, 2002	6.0677570%
February 24, 2003	6.0677570%
August 24, 2003	6.0677570%
February 24, 2004	6.0677570%
August 24, 2004	6.0677570%
February 24, 2005	6.0677570%
August 24, 2005	6.0677570%
February 24, 2006	6.0677570%
August 24, 2006	6.0677570%
February 24, 2007	6.0677570%
August 24, 2007	6.0677570%
February 24, 2008	6.0677570%
August 24, 2008	6.0677570%

**INTERIM RENT PERCENTAGE****Flexopress #505**

<b>Interim Rent Payment <u>Date</u></b>	<b>Rent Percentage <u>(Percentage of Lessor's Cost)</u></b>
August 24, 1994	0.0000000%

Schedule II to  
Lease Supplement

**STIPULATED LOSS VALUE PERCENTAGES**  
**Flexopress #505**

<b>Basic Rent Payment</b> <u>    Date</u>	<b>Stipulated Loss</b> <b><u>Value Percentages</u></b>
August 24, 1994	107.7316505%
February 24, 1995	107.2214649%
August 24, 1995	106.5341082%
February 24, 1996	105.6341059%
August 24, 1996	104.5603786%
February 24, 1997	103.3205538%
August 24, 1997	101.9385028%
February 24, 1998	100.4227453%
August 24, 1998	98.7863846%
February 24, 1999	97.0385586%
August 24, 1999	95.1750904%
February 24, 2000	93.1939705%
August 24, 2000	89.9947016%
February 24, 2001	86.6392759%
August 24, 2001	83.1378506%
February 24, 2002	79.5111737%
August 24, 2002	75.7630011%
February 24, 2003	71.9194038%
August 24, 2003	67.9625889%
February 24, 2004	63.9047558%
August 24, 2004	59.7279723%
February 24, 2005	55.4442860%
August 24, 2005	51.0356113%
February 24, 2006	46.5138438%
August 24, 2006	41.8607337%
February 24, 2007	37.0880109%
August 24, 2007	32.1772647%
February 24, 2008	27.1400537%
August 24, 2008	22.0000000%

Schedule III to  
Lease Supplement

EARLY BUYOUT OPTION  
Flexopress #505

Basic Rent Payment

    Date    

February 24, 2004

Early Buyout Option

(Percentage of Lessor's Cost)

59.5309078%